Virg Bernero, Mayor

FINANCE DEPARTMENT
124 W. Michigan Ave., 8th Floor
Lansing, Michigan 48933
(517) 483-4500

Thank you for contacting the City of Lansing Retirement Office with your inquiry regarding your accumulated contributions. Enclosed you will find a Refund of Accumulated Contribution form. Please keep in mind that upon withdrawal of retirement contributions, all rights to any pension through the City of Lansing, to any health care coverage, to any future dental coverage or to any term life insurance benefits is forfeited. **Your final retirement contributions cannot be determined until your last paycheck is received from the City of Lansing.**

Once your completed, notarized form has been received, it must be presented to the Police and Fire Retirement System Board of Trustees for approval. I have also enclosed a copy of the section of the City Ordinance that governs accumulated contributions. If you have any further questions, please feel free to contact the Retirement Office at (517) 483-4508.

Sincerely,

Karen E. Williams
Retirement Analyst

CITY OF LANSING

RETIREMENT SYSTEMS REQUEST FOR REFUND OF ACCUMULATED CONTRIBUTIONS

DATE _____ SOCIAL SECURITY # _____

I, _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

DEPARTMENT _____

hereby request a refund of all accumulated contributions standing to my credit in the Police and Fire Retirement System. I do hereby understand that upon withdrawal of all my retirement contributions, I am forfeiting all rights to any pension through the City of Lansing, to any future health care coverage, to any future dental care coverage or to any term life insurance policy benefits through the City of Lansing and that I am forfeiting all accumulated service credits. I do hereby understand that upon withdrawal of all my retirement contributions, I am forfeiting the right to use the RECIPROCAL RETIREMENT ACT (Act 88 of 1961) in case I am employed with another employer who participates with the Reciprocal Retirement Act.

REASON FOR REFUND _____

Signed _____

Subscribed and sworn before me this _____ day of _____, 20__. Notary public in _____ County, State of Michigan.
My commission expires _____.

Signed _____

(q) *Refund of Accumulated Contributions.*

(1) Should a member leave the employ of the City before he or she has satisfied the age and service requirements for retirement, as provided in subsection (i) hereof, and is not entitled to a retirement allowance, he or she shall be paid his or her accumulated contributions standing to his or her credit in the employees' savings fund upon his or her demand in writing to the Board of Trustees.

(2) If a member dies before his or her retirement becomes effective and no retirement allowance becomes payable on account of his or her death, except as provided in subsection (n) hereof, his or her accumulated contributions standing to his or her credit in the employees' savings fund, at the time of his or her death, shall be paid to such person as he or she shall have nominated by written designation duly executed and filed with the Board. If there is no such person surviving the deceased member, his or her accumulated contributions shall be paid to his or her legal representative.

(3) Payment of refunds of accumulated contributions may be made in installments according to such rules and regulations as the Board may from time to time adopt.

(4) If a member who terminates employment elects a refund of contributions and some or all of the refund is eligible for rollover treatment as defined by the Internal Revenue Service, and the member elects to have such eligible distribution paid directly to an eligible retirement plan or IRA and specifies the eligible retirement plan or IRA to which such distribution is to be paid (in such form and at such time as the distributing plan administration may prescribe), the distribution will be made in the form of a direct trustee-to-trustee transfer to the specified eligible retirement plan.

RECIPROCAL RETIREMENT ACT

Public Act 88 of 1961, as amended (MCL §38.1101 et seq.)

PURPOSE

The Reciprocal Retirement Act was enacted to provide for the preservation and continuity of retirement system service credit for public employees who transfer their employment between units of government. An eligible person may combine credited service with a preceding reciprocal retirement system with credited service acquired with a succeeding governmental unit for purposes of qualifying for an age and service retirement from either retirement system, provided the conditions of the Act are observed.

RECIPROCITY

The Reciprocal Retirement Act allows an employee who leaves the preceding reciprocal unit and becomes employed by a succeeding governmental unit to be entitled to a retirement benefit from the preceding unit, even though said former employee did not meet the vesting requirements of the preceding unit. The conditions, as contained in Section 4 of the Act, are:

(a) The preceding unit member must have at least thirty (30) months of service credit in the preceding unit.

(b) The preceding unit member has not withdrawn his/her employee contributions from the preceding unit or has redeposited any withdrawn amounts with interest within five years after employment with the succeeding governmental unit.

(c) Former employee of preceding unit must be employed by succeeding unit within fifteen (15) years after leaving preceding unit.

(d) No benefits would be paid by the preceding unit unless total service credit of the preceding unit plus succeeding unit meets requirements of preceding unit. Age requirement must also be met.

(e) Retirement benefit paid by preceding unit is based upon a formula, final average compensation and service credit of preceding unit at time of separation from preceding unit.

With respect to retiring from a succeeding reciprocal unit, the service credit with preceding reciprocal unit may be used to meet eligibility service requirements of succeeding reciprocal unit upon satisfaction of the conditions, as provided in Section 5 of the Act, as follows:

A member of a reciprocal retirement system who has 30 months or more of credited service acquired as a member of the system and who has attained the age but not met the service requirements for age and service retirement shall be entitled to use his or her credited service in force previously acquired as a member of governmental unit retirement systems in meeting the service requirements of the system from which he or she retires. If the member has a break in governmental unit employment for a period longer than 15 years; his or her service rendered in the employ of the governmental units prior to his or her last break in service shall not be used in satisfying the service requirement for age and service retirement in the system from which he or she retires. Except as provided in Section 6, credited service acquired in a governmental unit in which the member was previously employed shall not be used in determining the amount of his or her retirement allowance payable by the reciprocal retirement system from which he or she retires unless otherwise provided by the retirement system.

Section 6 of the Act provides for the transfer of service credit from a preceding unit to a succeeding unit subject to a number of conditions:

(a) The two governmental units must enter into a written agreement per resolution by each governmental unit's governing body. The resolutions must specify amount of service credit being transferred and amount of financial consideration being transferred from preceding unit to succeeding unit.

(b) The financial consideration being transferred shall not be greater than:

(1) The employee contributions in the preceding unit, or

(2) The actuarial present value of the retirement benefit accrued in the preceding unit under section 4 of the Act if the preceding unit does not transfer credit under Section 6.

(c) A succeeding unit must determine the present actuarial value of the retirement benefit payable from the succeeding unit based upon the transferred service credit from the preceding unit before adopting any resolutions to accept the transfer of service credit.

(d) Pension Board Guarantee Corporation (PBGC) interest rate and mortality tables shall be used for calculations of actuarial present values.

(e) Each reciprocal unit must establish by resolution a written policy to implement the provisions of this section in order to provide uniform (non-discriminatory) application to all who might be eligible for transfer of service credit.